

DEPT. OF DEFENSE
 OFFICE OF THE SECRETARY
 FILE 2 Vehicles

| ROUTING AND TRANSMITTAL SLIP | | Date |
|---|----------------------|------------------|
| | | 24 Sep 81 |
| TO: (Name, office symbol, room number, building, Agency/Post) | Initials | Date |
| 1. EO/DDA | | 24 SEP 1981 |
| 2. | | |
| 3. | | |
| 4. D/Logistics | | |
| 5. | | |
| Action | File | Note and Return |
| Approval | For Clearance | Per Conversation |
| As Requested | For Correction | Prepare Reply |
| Circulate | For Your Information | See Me |
| Comment | Investigate | Signature |
| Coordination | Justify | |

REMARKS

cc: D/Finance
DDA/MS

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

| | |
|--|----------------|
| FROM: (Name, org. symbol, Agency/Post) | Room No.—Bldg. |
| EO/DDA | Phone No. |

5041-102

☆ GPO : 1980 O - 311-156 (17)

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206



SEP 18 1981

Mr. Harry E. Fitzwater
Deputy Director of Administration
Central Intelligence Agency
Washington, DC 20505

Dear Mr. Fitzwater:

The Administrator of the General Services Administration (GSA) by letter dated August 17, 1981 (copy enclosed), announced the reinstitution of the use of the General Supply Fund to finance nonstock direct delivery requisitions for Government agencies (to be referred to as centralized billing). As indicated in his letter, I am now forwarding to you more specific instructions concerning the implementation of this change in billing procedures for vehicle procurements.

Beginning August 4, 1981, all requisitions for vehicle requirements received in the Transportation and Public Utilities Service (TPUS), Office of Automotive Management (OAM) will be covered by centralized billing. In addition, requisitions for vehicles received by OAM prior to that date but (1) have not been previously consolidated for solicitation and (2) are consolidated with requisitions received after August 4th will be converted to centralized billing. For clarification, your requisitioning office will be notified for the next several months when requisitions are covered by centralized billing either when they receive verification of receipt of requisition or when they receive notice of solicitation. However, if your agency is concerned about which requisitions will be covered by centralized billing, please contact your procurement agent in OAM or the OAM representative named at the end of this letter.

As of August 4, 1981, no existing solicitations or contracts will be changed to centralized billing. However, requirements submitted after August 4, 1981, that can be filled through an increased option on an existing contract may be converted to centralized billing on a case-by-case basis. This will occur only if all parties are in agreement and if the procurement agent determines this to be in the best interest of the Government.

With the reinstitution of centralized billing, the Office of Automotive Management is implementing an automated system to assist our Office of Finance in billing agencies for invoices paid by the General Supply Fund. This means that in order for requisitions to be processed under centralized billing, they must contain valid FEDSTRIP or MILSTRIP data. Requisitions received without this data cannot be processed and therefore will be returned.

Your agency will be (or may already have been) contacted by us for your FEDSTRIP or MILSTRIP codes to be used for vehicle procurement. This information will be used to create tables in the new system allowing us to edit codes submitted on requisitions for errors or inaccuracies.

2.

This action to reinstitute centralized billing for nonstock direct delivery items is being taken with the Comptroller General's reaffirmation of the use of accelerated payment procedures (File B-158487 dated July 17, 1981). Accelerated payment means that GSA will pay upon invoice without confirmation of actual receipt of goods or services by the agencies. Accelerated payment allows GSA to comply with the payment terms and conditions of a contract and to earn cash discounts. You should be aware, however, that contained in the Comptroller General's decision is emphasis on the agencies' responsibility to ensure that what is paid for is actually received in proper quantity and condition (See FPMR 101-2.1(c)). Specifically the decision states:

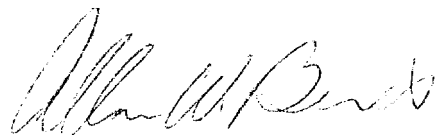
Agencies must keep records that permit them to determine that what is paid for is received in the proper quantity and condition. To do this, it is incumbent upon the agency placing an order with GSA to match the order with the invoice (billing document from GSA), the payment and the receiving report and to make this determination on a timely basis. If any discrepancies exist, the ordering agency should contact GSA in order to initiate followup actions to assure these discrepancies are adjusted.

Additionally, the system employed by the ordering agency should not be passive in nature. That is, once an agency places an order with GSA and GSA pays on the certification by the vendor that the goods have been shipped, the system should automatically on a regular basis require followup by the ordering agency to determine that all goods in fact have been received. If after a reasonable period of time the goods have not been received, GSA should be notified to initiate adjustment with the vendor.

To aid agencies in this responsibility, all copies of delivery orders sent to consignees will contain the instructions that copies of the receiving report should be sent to the requisitioning office named on the purchase order and that deficiencies and discrepancies should be reported to GSA. Instructions which vary from this for your agency should be given directly to your consignees.

We are pleased to be able to reinstitute centralized billing for vehicle procurements and hope that this change will eliminate many of the problems which arose under direct billing. Your cooperation will be greatly appreciated especially during the initial stages of this conversion. Should you need additional information, please contact Mr. John Tackett, Director, Market Research Division, on 557-3021.

Sincerely,



ALLAN W. BERES
Commissioner

Enclosure

cc: Vehicle Requisition Sources

AUG 17 1981

Dear

The General Services Administration (GSA) is currently taking action to reinstitute the use of the General Supply Fund to finance non-stock direct delivery requisitions for Government agencies. This action is being taken with the Comptroller General's reaffirmation of the use of accelerated payment procedures (File B-158487, dated July 17, 1981).

An amendment to the Federal Property Management Regulations, stating an effective date of August 4, 1981, will be issued in the near future to formally notify agencies of this change in billing procedures. Purchase orders issued under the previous policy which show the agency as the paying office must be resolved by that agency. Assistance in this regard may be obtained by contacting John M. Allen, the Office of Property Management on 557-8600.

More specific information concerning the implementation strategies and procedures for various commodities will be forwarded to you as soon as possible. This information will be issued directly from the Transportation and Public Utilities Service (TPUS) which is responsible for vehicle procurement and from the Federal Supply Service (FSS) which is responsible for all other commodities.

It should be pointed out at this time, however, that contained in the Comptroller General's decision supporting accelerated payment, is the necessity for agencies involved to have adequate internal controls to ensure that what is paid for under this procedure is received in proper quantity and condition. Agencies must be responsible for reporting any discrepancies or deficiencies to GSA for appropriate action.

As we strive to improve our supply support effectiveness, your cooperation is sincerely appreciated. Should you need additional information, please contact Mr. Leonard E. Fagan (FSS) on 557-8644 or Mr. Michael J. Dalich (TPUS) on 557-3021.

Sincerely,

(Signed) Ray Kline
Deputy Administrator

Approved For Release 2005/12/14 : CIA-RDP84B00890R000800410003-7
 ROUTING AND TRANSMITTAL SLIP

| TO: (Name, office symbol, room number, building, Agency/Post) | | Initials | Date |
|---|----------|--------------------|------|
| 1. | DDA/MS | <i>[Signature]</i> | |
| 2. | | | |
| 3. | | | |
| 4. | Registry | | |
| 5. | | | |

| | | |
|--------------|----------------------|------------------|
| Action | File | Note and Return |
| Approval | For Clearance | Per Conversation |
| As Requested | For Correction | Prepare Reply |
| Circulate | For Your Information | See Me |
| Comment | Investigate | Signature |
| Coordination | Justify | |

REMARKS

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

| | |
|--|----------------|
| FROM: (Name, org. symbol, Agency/Post) | Room No.—Bldg. |
| | Phone No. |

EO/DDA
 Approved For Release 2005/12/14 : CIA-RDP84B00890R000800410003-7
 801-102

OPTIONAL FORM 41 (Rev. 7-76)
 Prescribed by GSA
 FPMR (41 CFR) 101-11.206